## **Introduced by Senator Price**

February 23, 2012

An act to amend Sections 800, 801.01, 802.1, 802.5, 803, 803.1, 803.5, 803.6, 805, 2335, 2460, 2465, 2470, 2472, 2475, 2477, 2484, 2493, 2496, 2497.5, 3501, 3502, 3502.1, 3502.3, 3502.5, 3504, 3504.1, 3505, and 3506, 3507, 3508, 3509, 3509.5, 3510, 3511, 3512, 3513, 3514.1, 3516, 3516.5, 3517, 3518, 3519, 3519.5, 3520, 3521, 3521.1, 3521.2, 3521.5, 3522, 3523, 3524, 3524.5, 3526, 3527, 3529, 3530, 3531, 3533, 3534, 3534.1, 3534.2, 3534.3, 3534.4, 3534.5, 3534.6, 3534.7, 3534.9, 3534.10, 3535, 3537.10, 3537.20, 3537.30, 3537.50, 3540, 3546 of, and to add Sections 3521.3 and 3521.4 to, the Business and Professions Code, relating to healing arts.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1236, as amended, Price. Healing arts boards. Existing

(1) Existing law provides for the licensure certification and regulation of podiatrists by the California Board of Podiatric Medicine within the jurisdiction of the Medical Board of California. Existing law provides for the licensure and regulation of physician assistants by the Physician Assistant Committee of the Medical Board of California. Under existing law, the California Board of Podiatric Medicine and the committee will be repealed on January 1, 2013. Existing law requires that boards scheduled for repeal be reviewed by the Joint Sunset Review Committee of the Legislature.

This bill would extend the operation of the California Board of Podiatric Medicine and the committee until January 1, 2017. The bill

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would specify that the board-and committee are is subject to review by the appropriate policy committees of the Legislature. The bill would revise provisions regarding the examination of applicants for certification to practice podiatric medicine.

(2) Existing law establishes the Physician Assistant Committee within the jurisdiction of the Medical Board of California and provides for its membership, operation, duties, and powers with respect to licensure and regulation of physician assistants, including requirements for the payment of license renewal fees. Under existing law, the committee will be repealed on January 1, 2013.

This bill would rename the committee as the Physician Assistant Board, make various conforming changes relative to this change in designation, and extend the operation of the board until January 1, 2017. The bill would revise the composition of the board and would specify exemptions to the requirements for the payment of license renewal fees. The bill would specify that the board is subject to review by the appropriate policy committees of the Legislature.

(3) Existing law specifies reports to be made and procedures to be followed when a coroner receives information, as specified, that a death may be the result of a physician and surgeon's, or podiatrist's gross negligence or incompetence, and in connection with disciplinary actions against those licensees.

This bill would expand those provisions to include conduct of a physician assistant.

(4) Existing law requires a physician and surgeon, osteopathic physician and surgeon, and a doctor of podiatric medicine to report to his or her licensing board the occurrence of an indictment or information charging a felony against the licensee or the conviction of the licensee of a felony or misdemeanor. Under existing law the failure of those licensees to submit the required report is a crime.

This bill would impose that requirement on a physician assistant. Because a violation of this requirement by a physician assistant would be a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 800 of the Business and Professions Code 2 is amended to read:
- 3 800. (a) The Medical Board of California, the Board of 4 Psychology, the Dental Board of California, the Osteopathic
- 5 Medical Board of California, the State Board of Chiropractic
- 6 Examiners, the Board of Registered Nursing, the Board of
- 7 Vocational Nursing and Psychiatric Technicians, the State Board
- 8 of Optometry, the Veterinary Medical Board, the Board of
- 9 Behavioral Sciences, the Physical Therapy Board of California,
- 10 the California State Board of Pharmacy, the Speech-Language
- 11 Pathology and Audiology and Hearing Aid Dispensers Board, the
- 12 California Board of Occupational Therapy, and the Acupuncture
- 13 Board, and the Physician Assistant Board shall each separately
- create and maintain a central file of the names of all persons who
- 15 hold a license, certificate, or similar authority from that board.
- 16 Each central file shall be created and maintained to provide an
- individual historical record for each licensee with respect to the following information:
- 19 (1) Any conviction of a crime in this or any other state that 20 constitutes unprofessional conduct pursuant to the reporting

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- requirements of Section 803.

  (2) Any judgment or settlement requiring the licensee or his or her insurer to pay any amount of damages in excess of three thousand dollars (\$3,000) for any claim that injury or death was proximately caused by the licensee's negligence, error or omission in practice, or by rendering unauthorized professional services,
- (3) Any public complaints for which provision is made pursuant to subdivision (b).

pursuant to the reporting requirements of Section 801 or 802.

- (4) Disciplinary information reported pursuant to Section 805, including any additional exculpatory or explanatory statements submitted by the licentiate pursuant to subdivision (f) of Section
- submitted by the licentiate pursuant to subdivision (f) of Section 805. If a court finds, in a final judgment, that the peer review
- 34 resulting in the 805 report was conducted in bad faith and the
- 35 licensee who is the subject of the report notifies the board of that

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finding, the board shall include that finding in the central file. For 2 purposes of this paragraph, "peer review" has the same meaning 3 as defined in Section 805.

- (5) Information reported pursuant to Section 805.01, including any explanatory or exculpatory information submitted by the licensee pursuant to subdivision (b) of that section.
- (b) Each board shall prescribe and promulgate forms on which members of the public and other licensees or certificate holders may file written complaints to the board alleging any act of misconduct in, or connected with, the performance of professional services by the licensee.

If a board, or division thereof, a committee, or a panel has failed to act upon a complaint or report within five years, or has found that the complaint or report is without merit, the central file shall be purged of information relating to the complaint or report.

Notwithstanding this subdivision, the Board of Psychology, the Board of Behavioral Sciences, and the Respiratory Care Board of California shall maintain complaints or reports as long as each board deems necessary.

(c) The contents of any central file that are not public records under any other provision of law shall be confidential except that the licensee involved, or his or her counsel or representative, shall have the right to inspect and have copies made of his or her complete file except for the provision that may disclose the identity of an information source. For the purposes of this section, a board may protect an information source by providing a copy of the material with only those deletions necessary to protect the identity of the source or by providing a comprehensive summary of the substance of the material. Whichever method is used, the board shall ensure that full disclosure is made to the subject of any personal information that could reasonably in any way reflect or convey anything detrimental, disparaging, or threatening to a licensee's reputation, rights, benefits, privileges, or qualifications, or be used by a board to make a determination that would affect a licensee's rights, benefits, privileges, or qualifications. The information required to be disclosed pursuant to Section 803.1 shall not be considered among the contents of a central file for the purposes of this subdivision.

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The licensee may, but is not required to, submit any additional exculpatory or explanatory statement or other information that the board shall include in the central file.

Each board may permit any law enforcement or regulatory agency when required for an investigation of unlawful activity or for licensing, certification, or regulatory purposes to inspect and have copies made of that licensee's file, unless the disclosure is otherwise prohibited by law.

These disclosures shall effect no change in the confidential status of these records.

- SEC. 2. Section 801.01 of the Business and Professions Code is amended to read:
- 801.01. The Legislature finds and declares that the filing of reports with the applicable state agencies required under this section is essential for the protection of the public. It is the intent of the Legislature that the reporting requirements set forth in this section be interpreted broadly in order to expand reporting obligations.
- (a) A complete report shall be sent to the Medical Board of California, the Osteopathic Medical Board of California,—or the California Board of Podiatric Medicine, or the Physician Assistant Board with respect to a licensee of the board as to the following:
- (1) A settlement over thirty thousand dollars (\$30,000) or arbitration award of any amount or a civil judgment of any amount, whether or not vacated by a settlement after entry of the judgment, that was not reversed on appeal, of a claim or action for damages for death or personal injury caused by the licensee's alleged negligence, error, or omission in practice, or by his or her rendering of unauthorized professional services.
- (2) A settlement over thirty thousand dollars (\$30,000), if the settlement is based on the licensee's alleged negligence, error, or omission in practice, or on the licensee's rendering of unauthorized professional services, and a party to the settlement is a corporation, medical group, partnership, or other corporate entity in which the licensee has an ownership interest or that employs or contracts with the licensee.
  - (b) The report shall be sent by the following:
- 38 (1) The insurer providing professional liability insurance to the licensee.

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(2) The licensee, or his or her counsel, if the licensee does not possess professional liability insurance.

- (3) A state or local governmental agency that self-insures the licensee. For purposes of this section "state governmental agency" includes, but is not limited to, the University of California.
- (c) The entity, person, or licensee obligated to report pursuant to subdivision (b) shall send the complete report if the judgment, settlement agreement, or arbitration award is entered against or paid by the employer of the licensee and not entered against or paid by the licensee. "Employer," as used in this paragraph, means a professional corporation, a group practice, a health care facility or clinic licensed or exempt from licensure under the Health and Safety Code, a licensed health care service plan, a medical care foundation, an educational institution, a professional institution, a professional school or college, a general law corporation, a public entity, or a nonprofit organization that employs, retains, or contracts with a licensee referred to in this section. Nothing in this paragraph shall be construed to authorize the employment of, or contracting with, any licensee in violation of Section 2400.
- (d) The report shall be sent to the Medical Board of California, the Osteopathic Medical Board of California,—or the California Board of Podiatric Medicine, or the Physician Assistant Board as appropriate, within 30 days after the written settlement agreement has been reduced to writing and signed by all parties thereto, within 30 days after service of the arbitration award on the parties, or within 30 days after the date of entry of the civil judgment.
- (e) The entity, person, or licensee required to report under subdivision (b) shall notify the claimant or his or her counsel, if he or she is represented by counsel, that the report has been sent to the Medical Board of California, the Osteopathic Medical Board of California, or the California Board of Podiatric Medicine, or the Physician Assistant Board. If the claimant or his or her counsel has not received this notice within 45 days after the settlement was reduced to writing and signed by all of the parties or the arbitration award was served on the parties or the date of entry of the civil judgment, the claimant or the claimant's counsel shall make the report to the appropriate board.
- (f) Failure to substantially comply with this section is a public offense punishable by a fine of not less than five hundred dollars (\$500) and not more than five thousand dollars (\$5,000).

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(g) (1) The Medical Board of California, the Osteopathic Medical Board of California, and the California Board of Podiatric Medicine, and the Physician Assistant Board may develop a prescribed form for the report.

- (2) The report shall be deemed complete only if it includes the following information:
- (A) The name and last known business and residential addresses of every plaintiff or claimant involved in the matter, whether or not the person received an award under the settlement, arbitration, or judgment.
- (B) The name and last known business and residential address of every licensee who was alleged to have acted improperly, whether or not that person was a named defendant in the action and whether or not that person was required to pay any damages pursuant to the settlement, arbitration award, or judgment.
- (C) The name, address, and principal place of business of every insurer providing professional liability insurance to any person described in subparagraph (B), and the insured's policy number.
- (D) The name of the court in which the action or any part of the action was filed, and the date of filing and case number of each action.
- (E) A description or summary of the facts of each claim, charge, or allegation, including the date of occurrence and the licensee's role in the care or professional services provided to the patient with respect to those services at issue in the claim or action.
- (F) The name and last known business address of each attorney who represented a party in the settlement, arbitration, or civil action, including the name of the client he or she represented.
- (G) The amount of the judgment, the date of its entry, and a copy of the judgment; the amount of the arbitration award, the date of its service on the parties, and a copy of the award document; or the amount of the settlement and the date it was reduced to writing and signed by all parties. If an otherwise reportable settlement is entered into after a reportable judgment or arbitration award is issued, the report shall include both the settlement and a copy of the judgment or award.
- (H) The specialty or subspecialty of the licensee who was the subject of the claim or action.
- (I) Any other information the Medical Board of California, the Osteopathic Medical Board of California, or the California Board

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1 of Podiatric Medicine, *or the Physician Assistant Board* may, by regulation, require.

- 3 (3) Every professional liability insurer, self-insured 4 governmental agency, or licensee or his or her counsel that makes 5 a report under this section and has received a copy of any written or electronic patient medical or hospital records prepared by the 6 7 treating physician and surgeon-or podiatrist, or physician assistant, 8 or the staff of the treating physician and surgeon, podiatrist, or hospital, describing the medical condition, history, care, or treatment of the person whose death or injury is the subject of the 10 report, or a copy of any deposition in the matter that discusses the 11 12 care, treatment, or medical condition of the person, shall include 13 with the report, copies of the records and depositions, subject to reasonable costs to be paid by the Medical Board of California, 14 15 the Osteopathic Medical Board of California, or the California Board of Podiatric Medicine, or the Physician Assistant Board. If 16 17 confidentiality is required by court order and, as a result, the 18 reporter is unable to provide the records and depositions, 19 documentation to that effect shall accompany the original report. 20 The applicable board may, upon prior notification of the parties 21 to the action, petition the appropriate court for modification of any 22 protective order to permit disclosure to the board. A professional 23 liability insurer, self-insured governmental agency, or licensee or his or her counsel shall maintain the records and depositions 24 25 referred to in this paragraph for at least one year from the date of 26 filing of the report required by this section.
  - (h) If the board, within 60 days of its receipt of a report filed under this section, notifies a person named in the report, that person shall maintain for the period of three years from the date of filing of the report any records he or she has as to the matter in question and shall make those records available upon request to the board to which the report was sent.
  - (i) Notwithstanding any other provision of law, no insurer shall enter into a settlement without the written consent of the insured, except that this prohibition shall not void any settlement entered into without that written consent. The requirement of written consent shall only be waived by both the insured and the insurer.
  - (j) (1) A state or local governmental agency that self-insures licensees shall, prior to sending a report pursuant to this section,

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do all of the following with respect to each licensee who will be identified in the report:

- (A) Before deciding that a licensee will be identified, provide written notice to the licensee that the agency intends to submit a report in which the licensee may be identified, based on his or her role in the care or professional services provided to the patient that were at issue in the claim or action. This notice shall describe the reasons for notifying the licensee. The agency shall include with this notice a reasonable opportunity for the licensee to review a copy of records to be used by the agency in deciding whether to identify the licensee in the report.
- (B) Provide the licensee with a reasonable opportunity to provide a written response to the agency and written materials in support of the licensee's position. If the licensee is identified in the report, the agency shall include this response and materials in the report submitted to a board under this section if requested by the licensee.
- (C) At least 10 days prior to the expiration of the 30-day reporting requirement under subdivision (d), provide the licensee with the opportunity to present arguments to the body that will make the final decision or to that body's designee. The body shall review the care or professional services provided to the patient with respect to those services at issue in the claim or action and determine the licensee or licensees to be identified in the report and the amount of the settlement to be apportioned to the licensee.
- (2) Nothing in this subdivision shall be construed to modify either the content of a report required under this section or the timeframe for filing that report.
- (k) For purposes of this section, "licensee" means a licensee of the Medical Board of California, the Osteopathic Medical Board of California, or the California Board of Podiatric Medicine, or the Physician Assistant Board.
- SEC. 3. Section 802.1 of the Business and Professions Code is amended to read:
- 802.1. (a) (1) A physician and surgeon, osteopathic physician and surgeon, and a doctor of podiatric medicine, and a physician assistant shall report either of the following to the entity that issued his or her license:
- (A) The bringing of an indictment or information charging a felony against the licensee.

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(B) The conviction of the licensee, including any verdict of guilty, or plea of guilty or no contest, of any felony or misdemeanor.

- (2) The report required by this subdivision shall be made in writing within 30 days of the date of the bringing of the indictment or information or of the conviction.
- (b) Failure to make a report required by this section shall be a public offense punishable by a fine not to exceed five thousand dollars (\$5,000).
- SEC. 4. Section 802.5 of the Business and Professions Code is amended to read:
- 802.5. (a) When a coroner receives information that is based on findings that were reached by, or documented and approved by a board-certified or board-eligible pathologist indicating that a death may be the result of a physician's or physician and surgeon's, podiatrist's, or physician assistant's gross negligence or incompetence, a report shall be filed with the Medical Board of California, the Osteopathic Medical Board of California, or the California Board of Podiatric Medicine, or the Physician Assistant Board. The initial report shall include the name of the decedent, date and place of death, attending physicians or podiatrists, and all other relevant information available. The initial report shall be followed, within 90 days, by copies of the coroner's report, autopsy protocol, and all other relevant information.
- (b) The report required by this section shall be confidential. No coroner, physician and surgeon, or medical examiner, nor any authorized agent, shall be liable for damages in any civil action as a result of his or her acting in compliance with this section. No board-certified or board-eligible pathologist, nor any authorized agent, shall be liable for damages in any civil action as a result of his or her providing information under subdivision (a).
- SEC. 5. Section 803 of the Business and Professions Code is amended to read:
- 803. (a) Except as provided in subdivision (b), within 10 days after a judgment by a court of this state that a person who holds a license, certificate, or other similar authority from the Board of Behavioral Sciences or from an agency mentioned in subdivision (a) of Section 800 (except a person licensed pursuant to Chapter 3 (commencing with Section 1200)) has committed a crime, or is liable for any death or personal injury resulting in a judgment for

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an amount in excess of thirty thousand dollars (\$30,000) caused by his or her negligence, error or omission in practice, or his or her rendering unauthorized professional services, the clerk of the court that rendered the judgment shall report that fact to the agency that issued the license, certificate, or other similar authority.

- (b) For purposes of a physician and surgeon, osteopathic physician and surgeon,—or doctor of podiatric medicine, or physician assistant, who is liable for any death or personal injury resulting in a judgment of any amount caused by his or her negligence, error or omission in practice, or his or her rendering unauthorized professional services, the clerk of the court that rendered the judgment shall report that fact to the agency that issued the license.
- SEC. 6. Section 803.1 of the Business and Professions Code is amended to read:
- 803.1. (a) Notwithstanding any other provision of law, the Medical Board of California, the Osteopathic Medical Board of California, and the California Board of Podiatric Medicine, and the Physician Assistant Board shall disclose to an inquiring member of the public information regarding any enforcement actions taken against a licensee, including a former licensee, by the board or by another state or jurisdiction, including all of the following:
  - (1) Temporary restraining orders issued.
  - (2) Interim suspension orders issued.
- (3) Revocations, suspensions, probations, or limitations on practice ordered by the board, including those made part of a probationary order or stipulated agreement.
  - (4) Public letters of reprimand issued.
  - (5) Infractions, citations, or fines imposed.
- (b) Notwithstanding any other provision of law, in addition to the information provided in subdivision (a), the Medical Board of California, the Osteopathic Medical Board of California, and the California Board of Podiatric Medicine, and the Physician Assistant Board shall disclose to an inquiring member of the public all of the following:
- (1) Civil judgments in any amount, whether or not vacated by a settlement after entry of the judgment, that were not reversed on appeal and arbitration awards in any amount of a claim or action for damages for death or personal injury caused by the physician

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and surgeon's negligence, error, or omission in practice, or by his or her rendering of unauthorized professional services.

- (2) (A) All settlements in the possession, custody, or control of the board shall be disclosed for a licensee in the low-risk category if there are three or more settlements for that licensee within the last 10 years, except for settlements by a licensee regardless of the amount paid where (i) the settlement is made as a part of the settlement of a class claim, (ii) the licensee paid in settlement of the class claim the same amount as the other licensees in the same class or similarly situated licensees in the same class, and (iii) the settlement was paid in the context of a case where the complaint that alleged class liability on behalf of the licensee also alleged a products liability class action cause of action. All settlements in the possession, custody, or control of the board shall be disclosed for a licensee in the high-risk category if there are four or more settlements for that licensee within the last 10 years except for settlements by a licensee regardless of the amount paid where (i) the settlement is made as a part of the settlement of a class claim, (ii) the licensee paid in settlement of the class claim the same amount as the other licensees in the same class or similarly situated licensees in the same class, and (iii) the settlement was paid in the context of a case where the complaint that alleged class liability on behalf of the licensee also alleged a products liability class action cause of action. Classification of a licensee in either a "high-risk category" or a "low-risk category" depends upon the specialty or subspecialty practiced by the licensee and the designation assigned to that specialty or subspecialty by the Medical Board of California, as described in subdivision (f). For the purposes of this paragraph, "settlement" means a settlement of an action described in paragraph (1) entered into by the licensee on or after January 1, 2003, in an amount of thirty thousand dollars (\$30,000) or more.
- (B) The board shall not disclose the actual dollar amount of a settlement but shall put the number and amount of the settlement in context by doing the following:
- (i) Comparing the settlement amount to the experience of other licensees within the same specialty or subspecialty, indicating if it is below average, average, or above average for the most recent 10-year period.

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(ii) Reporting the number of years the licensee has been in practice.

- (iii) Reporting the total number of licensees in that specialty or subspecialty, the number of those who have entered into a settlement agreement, and the percentage that number represents of the total number of licensees in the specialty or subspecialty.
- (3) Current American Board of Medical Specialty certification or board equivalent as certified by the Medical Board of California, the Osteopathic Medical Board of California, or the California Board of Podiatric Medicine.
  - (4) Approved postgraduate training.

- (5) Status of the license of a licensee. By January 1, 2004, the Medical Board of California, the Osteopathic Medical Board of California, and the California Board of Podiatric Medicine shall adopt regulations defining the status of a licensee. The board shall employ this definition when disclosing the status of a licensee pursuant to Section 2027.
- (6) Any summaries of hospital disciplinary actions that result in the termination or revocation of a licensee's staff privileges for medical disciplinary cause or reason, unless a court finds, in a final judgment, that the peer review resulting in the disciplinary action was conducted in bad faith and the licensee notifies the board of that finding. In addition, any exculpatory or explanatory statements submitted by the licentiate electronically pursuant to subdivision (f) of that section shall be disclosed. For purposes of this paragraph, "peer review" has the same meaning as defined in Section 805.
- (c) Notwithstanding any other provision of law, the Medical Board of California, the Osteopathic Medical Board of California, and the California Board of Podiatric Medicine, and the Physician Assistant Board shall disclose to an inquiring member of the public information received regarding felony convictions of a physician and surgeon or doctor of podiatric medicine.
- (d) The Medical Board of California, the Osteopathic Medical Board of California,—and the California Board of Podiatric Medicine, and the Physician Assistant Board may formulate appropriate disclaimers or explanatory statements to be included with any information released, and may by regulation establish categories of information that need not be disclosed to an inquiring member of the public because that information is unreliable or not sufficiently related to the licensee's professional practice. The

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Medical Board of California, the Osteopathic Medical Board of California, and the California Board of Podiatric Medicine, and the Physician Assistant Board shall include the following statement when disclosing information concerning a settlement:

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"Some studies have shown that there is no significant correlation between malpractice history and a doctor's competence. At the same time, the State of California believes that consumers should have access to malpractice information. In these profiles, the State of California has given you information about both the malpractice settlement history for the doctor's specialty and the doctor's history of settlement payments only if in the last 10 years, the doctor, if in a low-risk specialty, has three or more settlements or the doctor, if in a high-risk specialty, has four or more settlements. The State of California has excluded some class action lawsuits because those cases are commonly related to systems issues such as product liability, rather than questions of individual professional competence and because they are brought on a class basis where the economic incentive for settlement is great. The State of California has placed payment amounts into three statistical categories: below average, average, and above average compared to others in the doctor's specialty. To make the best health care decisions, you should view this information in perspective. You could miss an opportunity for high-quality care by selecting a doctor based solely on malpractice history.

When considering malpractice data, please keep in mind:

Malpractice histories tend to vary by specialty. Some specialties are more likely than others to be the subject of litigation. This report compares doctors only to the members of their specialty, not to all doctors, in order to make an individual doctor's history more meaningful.

This report reflects data only for settlements made on or after January 1, 2003. Moreover, it includes information concerning those settlements for a 10-year period only. Therefore, you should know that a doctor may have made settlements in the 10 years immediately preceding January 1, 2003, that are not included in this report. After January 1, 2013, for doctors practicing less than 10 years, the data covers their total years of practice. You should take into account the effective date of settlement disclosure as well

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as how long the doctor has been in practice when considering malpractice averages.

The incident causing the malpractice claim may have happened years before a payment is finally made. Sometimes, it takes a long time for a malpractice lawsuit to settle. Some doctors work primarily with high-risk patients. These doctors may have malpractice settlement histories that are higher than average because they specialize in cases or patients who are at very high risk for problems.

Settlement of a claim may occur for a variety of reasons that do not necessarily reflect negatively on the professional competence or conduct of the doctor. A payment in settlement of a medical malpractice action or claim should not be construed as creating a presumption that medical malpractice has occurred.

You may wish to discuss information in this report and the general issue of malpractice with your doctor."

- (e) The Medical Board of California, the Osteopathic Medical Board of California,—and the California Board of Podiatric Medicine, and the Physician Assistant Board shall, by regulation, develop standard terminology that accurately describes the different types of disciplinary filings and actions to take against a licensee as described in paragraphs (1) to (5), inclusive, of subdivision (a). In providing the public with information about a licensee via the Internet pursuant to Section 2027, the Medical Board of California, the Osteopathic Medical Board of California,—and the California Board of Podiatric Medicine, and the Physician Assistant Board shall not use the terms "enforcement," "discipline," or similar language implying a sanction unless the physician and surgeon has been the subject of one of the actions described in paragraphs (1) to (5), inclusive, of subdivision (a).
- (f) The Medical Board of California shall adopt regulations no later than July 1, 2003, designating each specialty and subspecialty practice area as either high risk or low risk. In promulgating these regulations, the board shall consult with commercial underwriters of medical malpractice insurance companies, health care systems that self-insure physicians and surgeons, and representatives of the California medical specialty societies. The board shall utilize the carriers' statewide data to establish the two risk categories and the averages required by subparagraph (B) of paragraph (2) of

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subdivision (b). Prior to issuing regulations, the board shall convene public meetings with the medical malpractice carriers, self-insurers, and specialty representatives.

- (g) The Medical Board of California, the Osteopathic Medical Board of California,—and the California Board of Podiatric Medicine, the Physician Assistant Board shall provide each licensee, including a former licensee under subdivision (a), with a copy of the text of any proposed public disclosure authorized by this section prior to release of the disclosure to the public. The licensee shall have 10 working days from the date the board provides the copy of the proposed public disclosure to propose corrections of factual inaccuracies. Nothing in this section shall prevent the board from disclosing information to the public prior to the expiration of the 10-day period.
- (h) Pursuant to subparagraph (A) of paragraph (2) of subdivision (b), the specialty or subspecialty information required by this section shall group physicians by specialty board recognized pursuant to paragraph (5) of subdivision (h) of Section 651 unless a different grouping would be more valid and the board, in its statement of reasons for its regulations, explains why the validity of the grouping would be more valid.
- SEC. 7. Section 803.5 of the Business and Professions Code is amended to read:
- 803.5. (a) The district attorney, city attorney, or other prosecuting agency shall notify the Medical Board of California, the Osteopathic Medical Board of California, the California Board of Podiatric Medicine, the State Board of Chiropractic Examiners, the Physician Assistant Board, or other appropriate allied health board, and the clerk of the court in which the charges have been filed, of any filings against a licensee of that board charging a felony immediately upon obtaining information that the defendant is a licensee of the board. The notice shall identify the licensee and describe the crimes charged and the facts alleged. The prosecuting agency shall also notify the clerk of the court in which the action is pending that the defendant is a licensee, and the clerk shall record prominently in the file that the defendant holds a license from one of the boards described above.
- (b) The clerk of the court in which a licensee of one of the boards is convicted of a crime shall, within 48 hours after the

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1 conviction, transmit a certified copy of the record of conviction 2 to the applicable board.

- SEC. 8. Section 803.6 of the Business and Professions Code is amended to read:
- 803.6. (a) The clerk of the court shall transmit any felony preliminary hearing transcript concerning a defendant licensee to the Medical Board of California, the Osteopathic Medical Board of California, the California Board of Podiatric Medicine, *the Physician Assistant Board*, or other appropriate allied health board, as applicable, where the total length of the transcript is under 800 pages and shall notify the appropriate board of any proceeding where the transcript exceeds that length.
- (b) In any case where a probation report on a licensee is prepared for a court pursuant to Section 1203 of the Penal Code, a copy of that report shall be transmitted by the probation officer to the board.
- SEC. 9. Section 805 of the Business and Professions Code is amended to read:
- 805. (a) As used in this section, the following terms have the following definitions:
  - (1) (A) "Peer review" means both of the following:
- (i) A process in which a peer review body reviews the basic qualifications, staff privileges, employment, medical outcomes, or professional conduct of licentiates to make recommendations for quality improvement and education, if necessary, in order to do either or both of the following:
- (I) Determine whether a licentiate may practice or continue to practice in a health care facility, clinic, or other setting providing medical services, and, if so, to determine the parameters of that practice.
- (II) Assess and improve the quality of care rendered in a health care facility, clinic, or other setting providing medical services.
- (ii) Any other activities of a peer review body as specified in subparagraph (B).
  - (B) "Peer review body" includes:
- (i) A medical or professional staff of any health care facility or clinic licensed under Division 2 (commencing with Section 1200) of the Health and Safety Code or of a facility certified to participate in the federal Medicare Program as an ambulatory surgical center.
- 39 (ii) A health care service plan licensed under Chapter 2.2 40 (commencing with Section 1340) of Division 2 of the Health and

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1 Safety Code or a disability insurer that contracts with licentiates 2 to provide services at alternative rates of payment pursuant to 3 Section 10133 of the Insurance Code.

- (iii) Any medical, psychological, marriage and family therapy, social work, professional clinical counselor, dental, or podiatric professional society having as members at least 25 percent of the eligible licentiates in the area in which it functions (which must include at least one county), which is not organized for profit and which has been determined to be exempt from taxes pursuant to Section 23701 of the Revenue and Taxation Code.
- (iv) A committee organized by any entity consisting of or employing more than 25 licentiates of the same class that functions for the purpose of reviewing the quality of professional care provided by members or employees of that entity.
- (2) "Licentiate" means a physician and surgeon, doctor of podiatric medicine, clinical psychologist, marriage and family therapist, clinical social worker, professional clinical counselor, or dentist, or physician assistant. "Licentiate" also includes a person authorized to practice medicine pursuant to Section 2113 or 2168.
- (3) "Agency" means the relevant state licensing agency having regulatory jurisdiction over the licentiates listed in paragraph (2).
- (4) "Staff privileges" means any arrangement under which a licentiate is allowed to practice in or provide care for patients in a health facility. Those arrangements shall include, but are not limited to, full staff privileges, active staff privileges, limited staff privileges, auxiliary staff privileges, provisional staff privileges, temporary staff privileges, courtesy staff privileges, locum tenens arrangements, and contractual arrangements to provide professional services, including, but not limited to, arrangements to provide outpatient services.
- (5) "Denial or termination of staff privileges, membership, or employment" includes failure or refusal to renew a contract or to renew, extend, or reestablish any staff privileges, if the action is based on medical disciplinary cause or reason.
- (6) "Medical disciplinary cause or reason" means that aspect of a licentiate's competence or professional conduct that is reasonably likely to be detrimental to patient safety or to the delivery of patient care.

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(7) "805 report" means the written report required under subdivision (b).

- (b) The chief of staff of a medical or professional staff or other chief executive officer, medical director, or administrator of any peer review body and the chief executive officer or administrator of any licensed health care facility or clinic shall file an 805 report with the relevant agency within 15 days after the effective date on which any of the following occur as a result of an action of a peer review body:
- (1) A licentiate's application for staff privileges or membership is denied or rejected for a medical disciplinary cause or reason.
- (2) A licentiate's membership, staff privileges, or employment is terminated or revoked for a medical disciplinary cause or reason.
- (3) Restrictions are imposed, or voluntarily accepted, on staff privileges, membership, or employment for a cumulative total of 30 days or more for any 12-month period, for a medical disciplinary cause or reason.
- (c) If a licentiate takes any action listed in paragraph (1), (2), or (3) after receiving notice of a pending investigation initiated for a medical disciplinary cause or reason or after receiving notice that his or her application for membership or staff privileges is denied or will be denied for a medical disciplinary cause or reason, the chief of staff of a medical or professional staff or other chief executive officer, medical director, or administrator of any peer review body and the chief executive officer or administrator of any licensed health care facility or clinic where the licentiate is employed or has staff privileges or membership or where the licentiate applied for staff privileges or membership, or sought the renewal thereof, shall file an 805 report with the relevant agency within 15 days after the licentiate takes the action.
- (1) Resigns or takes a leave of absence from membership, staff privileges, or employment.
- (2) Withdraws or abandons his or her application for staff privileges or membership.
- (3) Withdraws or abandons his or her request for renewal of staff privileges or membership.
- (d) For purposes of filing an 805 report, the signature of at least one of the individuals indicated in subdivision (b) or (c) on the completed form shall constitute compliance with the requirement to file the report.

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(e) An 805 report shall also be filed within 15 days following the imposition of summary suspension of staff privileges, membership, or employment, if the summary suspension remains in effect for a period in excess of 14 days.

(f) A copy of the 805 report, and a notice advising the licentiate of his or her right to submit additional statements or other information, electronically or otherwise, pursuant to Section 800, shall be sent by the peer review body to the licentiate named in the report. The notice shall also advise the licentiate that information submitted electronically will be publicly disclosed to those who request the information.

The information to be reported in an 805 report shall include the name and license number of the licentiate involved, a description of the facts and circumstances of the medical disciplinary cause or reason, and any other relevant information deemed appropriate by the reporter.

A supplemental report shall also be made within 30 days following the date the licentiate is deemed to have satisfied any terms, conditions, or sanctions imposed as disciplinary action by the reporting peer review body. In performing its dissemination functions required by Section 805.5, the agency shall include a copy of a supplemental report, if any, whenever it furnishes a copy of the original 805 report.

If another peer review body is required to file an 805 report, a health care service plan is not required to file a separate report with respect to action attributable to the same medical disciplinary cause or reason. If the Medical Board of California or a licensing agency of another state revokes or suspends, without a stay, the license of a physician and surgeon, a peer review body is not required to file an 805 report when it takes an action as a result of the revocation or suspension.

(g) The reporting required by this section shall not act as a waiver of confidentiality of medical records and committee reports. The information reported or disclosed shall be kept confidential except as provided in subdivision (c) of Section 800 and Sections 803.1 and 2027, provided that a copy of the report containing the information required by this section may be disclosed as required by Section 805.5 with respect to reports received on or after January 1, 1976.

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(h) The Medical Board of California, the Osteopathic Medical Board of California, and the Dental Board of California shall disclose reports as required by Section 805.5.

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- (i) An 805 report shall be maintained electronically by an agency for dissemination purposes for a period of three years after receipt.
- (j) No person shall incur any civil or criminal liability as the result of making any report required by this section.
- (k) A willful failure to file an 805 report by any person who is designated or otherwise required by law to file an 805 report is punishable by a fine not to exceed one hundred thousand dollars (\$100,000) per violation. The fine may be imposed in any civil or administrative action or proceeding brought by or on behalf of any agency having regulatory jurisdiction over the person regarding whom the report was or should have been filed. If the person who is designated or otherwise required to file an 805 report is a licensed physician and surgeon, the action or proceeding shall be brought by the Medical Board of California. The fine shall be paid to that agency but not expended until appropriated by the Legislature. A violation of this subdivision may constitute unprofessional conduct by the licentiate. A person who is alleged to have violated this subdivision may assert any defense available at law. As used in this subdivision, "willful" means a voluntary and intentional violation of a known legal duty.
- (1) Except as otherwise provided in subdivision (k), any failure by the administrator of any peer review body, the chief executive officer or administrator of any health care facility, or any person who is designated or otherwise required by law to file an 805 report, shall be punishable by a fine that under no circumstances shall exceed fifty thousand dollars (\$50,000) per violation. The fine may be imposed in any civil or administrative action or proceeding brought by or on behalf of any agency having regulatory jurisdiction over the person regarding whom the report was or should have been filed. If the person who is designated or otherwise required to file an 805 report is a licensed physician and surgeon, the action or proceeding shall be brought by the Medical Board of California. The fine shall be paid to that agency but not expended until appropriated by the Legislature. The amount of the fine imposed, not exceeding fifty thousand dollars (\$50,000) per violation, shall be proportional to the severity of the failure to report and shall differ based upon written findings, including

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whether the failure to file caused harm to a patient or created a risk to patient safety; whether the administrator of any peer review body, the chief executive officer or administrator of any health care facility, or any person who is designated or otherwise required by law to file an 805 report exercised due diligence despite the failure to file or whether they knew or should have known that an 805 report would not be filed; and whether there has been a prior failure to file an 805 report. The amount of the fine imposed may also differ based on whether a health care facility is a small or rural hospital as defined in Section 124840 of the Health and Safety 

- (m) A health care service plan licensed under Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code or a disability insurer that negotiates and enters into a contract with licentiates to provide services at alternative rates of payment pursuant to Section 10133 of the Insurance Code, when determining participation with the plan or insurer, shall evaluate, on a case-by-case basis, licentiates who are the subject of an 805 report, and not automatically exclude or deselect these licentiates.
- 20 SEC. 10. Section 2335 of the Business and Professions Code 21 is amended to read:
  - 2335. (a) All proposed decisions and interim orders of the Medical Quality Hearing Panel designated in Section 11371 of the Government Code shall be transmitted to the executive director of the board, or the executive director of the California Board of Podiatric Medicine as to the licensees of that board, within 48 hours of filing.
    - (b) All interim orders shall be final when filed.
  - (c) A proposed decision shall be acted upon by the board or by any panel appointed pursuant to Section 2008 or by the California Board of Podiatric Medicine, as the case may be, in accordance with Section 11517 of the Government Code, except that all of the following shall apply to proceedings against licensees under this chapter:
  - (1) When considering a proposed decision, the board or panel and the California Board of Podiatric Medicine shall give great weight to the findings of fact of the administrative law judge, except to the extent those findings of fact are controverted by new evidence.

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(2) The board's staff or the staff of the California Board of Podiatric Medicine shall poll the members of the board or panel or of the California Board of Podiatric Medicine by written mail ballot concerning the proposed decision. The mail ballot shall be sent within 10 calendar days of receipt of the proposed decision, and shall poll each member on whether the member votes to approve the decision, to approve the decision with an altered penalty, to refer the case back to the administrative law judge for the taking of additional evidence, to defer final decision pending discussion of the case by the panel or board as a whole, or to nonadopt the decision. No party to the proceeding, including employees of the agency that filed the accusation, and no person who has a direct or indirect interest in the outcome of the proceeding or who presided at a previous stage of the decision, may communicate directly or indirectly, upon the merits of a contested matter while the proceeding is pending, with any member of the panel or board, without notice and opportunity for all parties to participate in the communication. The votes of a majority of the board or of the panel, and a majority of the California Board of Podiatric Medicine, are required to approve the decision with an altered penalty, to refer the case back to the administrative law judge for the taking of further evidence, or to nonadopt the decision. The votes of two members of the panel or board are required to defer final decision pending discussion of the case by the panel or board as a whole; except that, in the case of the California Board of Podiatric Medicine, the vote of only one member of that board is required to defer final decision pending discussion of the case by the board as a whole. If there is a vote by the specified number to defer final decision pending discussion of the case by the panel or board as a whole, provision shall be made for that discussion before the 100-day period specified in paragraph (3) expires, but in no event shall that 100-day period be extended.

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(3) If a majority of the board or of the panel, or a majority of the California Board of Podiatric Medicine vote to do so, the board or the panel or the California Board of Podiatric Medicine shall issue an order of nonadoption of a proposed decision within 100 calendar days of the date it is received by the board. If the board or the panel or the California Board of Podiatric Medicine does not refer the case back to the administrative law judge for the

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taking of additional evidence or issue an order of nonadoption within 100 calendar days, the decision shall be final and subject to review under Section 2337. Members of the board or of any panel or of the California Board of Podiatric Medicine who review a proposed decision or other matter and vote by mail as provided in paragraph (2) shall return their votes by mail to the board within 30 days from receipt of the proposed decision or other matter.

- (4) The board or the panel or the California Board of Podiatric Medicine shall afford the parties the opportunity to present oral argument before deciding a case after nonadoption of the administrative law judge's decision.
- (5) A vote of a majority of the board or of a panel, or a majority of the California Board of Podiatric Medicine, are required to increase the penalty from that contained in the proposed administrative law judge's decision. No member of the board or panel or of the California Board of Podiatric Medicine may vote to increase the penalty except after reading the entire record and personally hearing any additional oral argument and evidence presented to the panel or board.

## SECTION 1.

- SEC. 11. Section 2460 of the Business and Professions Code is amended to read:
- 2460. (a) There is created within the jurisdiction of the Medical Board of California the California Board of Podiatric Medicine.
- (b) This section shall remain in effect only until January 1, 2017, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2017, deletes or extends that date. Notwithstanding any other provision of law, the repeal of this section renders the California Board of Podiatric Medicine subject to review by the appropriate policy committees of the Legislature.
- SEC. 12. Section 2465 of the Business and Professions Code is amended to read:
  - 2465. No person who directly or indirectly owns any interest in any college, school, or other institution engaged in podiatric medical instruction shall be appointed to the board—or nor shall any incumbent member of the board have or acquire any interest, direct or indirect, in any such college, school, or institution.
- 38 SEC. 13. Section 2470 of the Business and Professions Code is amended to read:

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2470. The board may adopt, amend, or repeal, in accordance 2 with the provisions of the Administrative Procedure Act (Chapter 3 3.5 (commencing with Section 11340 of Part 1 of Division 1 of 4 Title 2 of the Government Code, regulations necessary to enable 5 the board to carry into effect the provisions of law relating to the practice of podiatric medicine.

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- SEC. 14. Section 2472 of the Business and Professions Code is amended to read:
- (a) The certificate to practice podiatric medicine 2472. authorizes the holder to practice podiatric medicine.
- (b) As used in this chapter, "podiatric medicine" means the diagnosis, medical, surgical, mechanical, manipulative, and electrical treatment of the human foot, including the ankle and tendons that insert into the foot and the nonsurgical treatment of the muscles and tendons of the leg governing the functions of the foot.
- (c) A doctor of podiatric medicine may not administer an anesthetic other than local. If an anesthetic other than local is required for any procedure, the anesthetic shall be administered by another licensed health care practitioner who is authorized to administer the required anesthetic within the scope of his or her practice.
- (d) (1) A doctor of podiatric medicine who is ankle certified by the board on and after January 1, 1984, may do the following:
- (A) Perform surgical treatment of the ankle and tendons at the level of the ankle pursuant to subdivision (e).
- (B) Perform services under the direct supervision of a physician and surgeon, as an assistant at surgery, in surgical procedures that are otherwise beyond the scope of practice of a doctor of podiatric medicine.
- (C) Perform a partial amputation of the foot no further proximal than the Chopart's joint.
- (2) Nothing in this subdivision shall be construed to permit a doctor of podiatric medicine to function as a primary surgeon for any procedure beyond his or her scope of practice.
- (e) A doctor of podiatric medicine may perform surgical treatment of the ankle and tendons at the level of the ankle only in the following locations:
- 39 (1) A licensed general acute care hospital, as defined in Section 40 1250 of the Health and Safety Code.

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(2) A licensed surgical clinic, as defined in Section 1204 of the Health and Safety Code, if the doctor of podiatric medicine has surgical privileges, including the privilege to perform surgery on the ankle, in a general acute care hospital described in paragraph (1) and meets all the protocols of the surgical clinic.

- (3) An ambulatory surgical center that is certified to participate in the Medicare Program under Title XVIII (42 U.S.C. Sec. 1395 et seq.) of the federal Social Security Act, if the doctor of podiatric medicine has surgical privileges, including the privilege to perform surgery on the ankle, in a general acute care hospital described in paragraph (1) and meets all the protocols of the surgical center.
- (4) A freestanding physical plant housing outpatient services of a licensed general acute care hospital, as defined in Section 1250 of the Health and Safety Code, if the doctor of podiatric medicine has surgical privileges, including the privilege to perform surgery on the ankle, in a general acute care hospital described in paragraph (1). For purposes of this section, a "freestanding physical plant" means any building that is not physically attached to a building where inpatient services are provided.
- (5) An outpatient setting accredited pursuant to subdivision (g) of Section 1248.1 of the Health and Safety Code.
- (f) A doctor of podiatric medicine shall not perform an admitting history and physical examination of a patient in an acute care hospital where doing so would violate the regulations governing the Medicare program.
- (g) A doctor of podiatric medicine licensed under this chapter is a licentiate for purposes of paragraph (2) of subdivision (a) of Section 805, and thus is a health care practitioner subject to the provisions of Section 2290.5 pursuant to subdivision (b) of that section.
- 31 SEC. 15. Section 2475 of the Business and Professions Code 32 is amended to read:
  - 2475. Unless otherwise provided by law, no postgraduate trainee, intern, resident postdoctoral fellow, or instructor may engage in the practice of podiatric medicine, or receive compensation therefor, or offer to engage in the practice of podiatric medicine unless he or she holds a valid, unrevoked, and unsuspended certificate to practice podiatric medicine issued by the division. However, a graduate of an approved college or school of podiatric medicine upon whom the degree doctor of podiatric

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medicine has been conferred, who is issued a resident's license, which may be renewed annually for up to four years for this purpose by the division upon recommendation of the board, and who is enrolled in a postgraduate training program approved by the board, may engage in the practice of podiatric medicine whenever and wherever required as a part of that program and may receive compensation for that practice under the following conditions:

- (a) A graduate with a resident's license in an approved internship, residency, or fellowship program may participate in training rotations outside the scope of podiatric medicine, under the supervision of a physician and surgeon who holds a medical doctor or doctor of osteopathy degree wherever and whenever required as a part of the training program, and may receive compensation for that practice. If the graduate fails to receive a license to practice podiatric medicine under this chapter within three years from the commencement of the postgraduate training, all privileges and exemptions under this section shall automatically cease.
- (b) Hospitals functioning as a part of the teaching program of an approved college or school of podiatric medicine in this state may exchange instructors or resident or assistant resident doctors of podiatric medicine with another approved college or school of podiatric medicine not located in this state, or those hospitals may appoint a graduate of an approved school as such a resident for purposes of postgraduate training. Those instructors and residents may practice and be compensated as provided in this section, but that practice and compensation shall be for a period not to exceed two years.
- SEC. 16. Section 2477 of the Business and Professions Code is amended to read:
- 2477. Nothing in this chapter prohibits the manufacture, the recommendation, or the sale of either corrective shoes or appliances for the human feet *to enhance comfort and performance, or, following diagnosis and prescription by a licensed practitioner in any case involving medical conditions.*
- 37 SEC. 17. Section 2484 of the Business and Professions Code 38 is amended to read:
- 39 2484. In addition to any other requirements of this chapter, 40 before a certificate to practice podiatric medicine may be issued,

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each applicant shall show by evidence satisfactory to the board, submitted directly to the board by the sponsoring institution, that he or she has satisfactorily completed at least two years of postgraduate podiatric medical and podiatric surgical training in a general acute care hospital approved by the Council—of on Podiatric Medical Education.

SEC. 18. Section 2493 of the Business and Professions Code is amended to read:

2493. (a)—An applicant for a certificate to practice podiatric medicine shall pass an examination in the subjects required by Section 2483 in order to ensure a minimum of entry-level competence.

(b) The board shall require a passing score on the National Board of Podiatric Medical Examiners Part III examination that is consistent with the postgraduate training requirement in Section 2484. The board, as of July 1, 2005, shall require a passing score one standard error of measurement higher than the national passing scale score until such time as the National Board of Podiatric Medical Examiners recommends a higher passing score consistent with Section 2484. In consultation with the Office of Professional Examination Services of the Department of Consumer Affairs, the board shall ensure that the part III examination adequately evaluates the full scope of practice established by Section 2472, including amputation and other foot and ankle surgical procedures, pursuant to Section 139.

SEC. 19. Section 2496 of the Business and Professions Code is amended to read:

2496. In order to ensure the continuing competence of persons licensed to practice podiatric medicine, the board shall adopt and administer regulations in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) requiring continuing education of those licensees. The board shall require those licensees to demonstrate satisfaction of the continuing education requirements and one of the following requirements at each license renewal:

- (a) Passage of an examination administered by the board within the past 10 years.
- 39 (b) Passage of an examination administered by an approved 40 specialty certifying board within the past 10 years.

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(c) Current diplomate, board-eligible, or board-qualified status granted by an approved specialty certifying board within the past 10 years.

- (d) Recertification of current status by an approved specialty certifying board within the past 10 years.
- (e) Successful completion of an approved residency or fellowship program within the past 10 years.
- (f) Granting or renewal of current staff privileges within the past five years by a health care facility that is licensed, certified, accredited, conducted, maintained, operated, or otherwise approved by an agency of the federal or state government or an organization approved by the Medical Board of California.
- (g) Successful completion within the past five years of an extended course of study approved by the board.
- (h) Passage within the past 10 years of Part III of the examination administered by the National Board of Podiatric Medical Examiners.
- SEC. 20. Section 2497.5 of the Business and Professions Code is amended to read:
- 2497.5. (a) The board may request the administrative law judge, under his or her proposed decision in resolution of a disciplinary proceeding before the board, to direct any licensee found guilty of unprofessional conduct to pay to the board a sum not to exceed the actual and reasonable costs of the investigation and prosecution of the case.
- (b) The costs to be assessed shall be fixed by the administrative law judge and shall not in any event be increased by the board. When the board does not adopt a proposed decision and remands the case to an administrative law judge, the administrative law judge shall not increase the amount of any costs assessed in the proposed decision unless the board does not adopt a proposed decision and in making its own decision finds grounds for increasing the costs to be assessed, not to exceed the actual and reasonable costs of the investigation and prosecution of the case.
- (c) When the payment directed in the board's order for payment of costs is not made by the licensee, the board may enforce the order for payment by bringing an action in any appropriate court. This right of enforcement shall be in addition to any other rights the board may have as to any licensee directed to pay costs.

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(d) In any judicial action for the recovery of costs, proof of the board's decision shall be conclusive proof of the validity of the order of payment and the terms for payment.

- (e) (1) Except as provided in paragraph (2), the board shall not renew or reinstate the license of any licensee who has failed to pay all of the costs ordered under this section.
- (2) Notwithstanding paragraph (1), the board may, in its discretion, conditionally renew or reinstate for a maximum of one year the license of any licensee who demonstrates financial hardship and who enters into a formal agreement with the board to reimburse the board within that one year period for those unpaid costs.
- (f) All costs recovered under this section shall be deposited in the Board of Podiatric Medicine Fund as a reimbursement in either the fiscal year in which the costs are actually recovered or the previous fiscal year, as the board may direct.
- 17 SEC. 21. Section 3501 of the Business and Professions Code 18 is amended to read:
  - 3501. (a) As used in this chapter:
  - (1) "Board" means the Medical Board of California Physician Assistant Board.
  - (2) "Approved program" means a program for the education of physician assistants that has been formally approved by the committee.
  - (3) "Trainee" means a person who is currently enrolled in an approved program.
  - (4) "Physician assistant" means a person who meets the requirements of this chapter and is licensed by the committee.
  - (5) "Supervising physician" means a physician and surgeon licensed by the board Medical Board of California or by the Osteopathic Medical Board of California who supervises one or more physician assistants, who possesses a current valid license to practice medicine, and who is not currently on disciplinary probation for improper use of a physician assistant.
  - (6) "Supervision" means that a licensed physician and surgeon oversees the activities of, and accepts responsibility for, the medical services rendered by a physician assistant.
  - (7) "Committee" or "examining committee" means the Physician Assistant Committee.

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(7) "Regulations" means the rules and regulations as set forth in Chapter 13.8 (commencing with Section 1399.500) of Title 16 of the California Code of Regulations.

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(8) "Routine visual screening" means uninvasive nonpharmacological simple testing for visual acuity, visual field defects, color blindness, and depth perception.

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(9) "Program manager" means the staff manager of the diversion program, as designated by the executive officer of the board *Medical Board of California*. The program manager shall have background experience in dealing with substance abuse issues.

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(10) "Delegation of services agreement" means the writing that delegates to a physician assistant from a supervising physician the medical services the physician assistant is authorized to perform consistent with subdivision (a) of Section 1399.540 of Title 16 of the California Code of Regulations.

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- (11) "Other specified medical services" means tests or examinations performed or ordered by a physician assistant practicing in compliance with this chapter or regulations of the board Medical Board of California promulgated under this chapter.
- (b) A physician assistant acts as an agent of the supervising physician when performing any activity authorized by this chapter or regulations promulgated by the board under this chapter.
- SEC. 22. Section 3502 of the Business and Professions Code is amended to read:
- 3502. (a) Notwithstanding any other provision of law, a physician assistant may perform those medical services as set forth by the regulations of the board Medical Board of California when the services are rendered under the supervision of a licensed physician and surgeon who is not subject to a disciplinary condition imposed by the board Medical Board of California prohibiting that supervision or prohibiting the employment of a physician assistant.
- (b) Notwithstanding any other provision of law, a physician assistant performing medical services under the supervision of a physician and surgeon may assist a doctor of podiatric medicine who is a partner, shareholder, or employee in the same medical

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group as the supervising physician and surgeon. A physician assistant who assists a doctor of podiatric medicine pursuant to this subdivision shall do so only according to patient-specific orders from the supervising physician and surgeon.

The supervising physician and surgeon shall be physically available to the physician assistant for consultation when such assistance is rendered. A physician assistant assisting a doctor of podiatric medicine shall be limited to performing those duties included within the scope of practice of a doctor of podiatric medicine.

- (c) (1) A physician assistant and his or her supervising physician and surgeon shall establish written guidelines for the adequate supervision of the physician assistant. This requirement may be satisfied by the supervising physician and surgeon adopting protocols for some or all of the tasks performed by the physician assistant. The protocols adopted pursuant to this subdivision shall comply with the following requirements:
- (A) A protocol governing diagnosis and management shall, at a minimum, include the presence or absence of symptoms, signs, and other data necessary to establish a diagnosis or assessment, any appropriate tests or studies to order, drugs to recommend to the patient, and education to be provided to the patient.
- (B) A protocol governing procedures shall set forth the information to be provided to the patient, the nature of the consent to be obtained from the patient, the preparation and technique of the procedure, and the followup care.
- (C) Protocols shall be developed by the supervising physician and surgeon or adopted from, or referenced to, texts or other sources.
- (D) Protocols shall be signed and dated by the supervising physician and surgeon and the physician assistant.
- (2) The supervising physician and surgeon shall review, countersign, and date a sample consisting of, at a minimum, 5 percent of the medical records of patients treated by the physician assistant functioning under the protocols within 30 days of the date of treatment by the physician assistant. The physician and surgeon shall select for review those cases that by diagnosis, problem, treatment, or procedure represent, in his or her judgment, the most significant risk to the patient.

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(3) Notwithstanding any other provision of law, the board Medical Board of California or committee board may establish other alternative mechanisms for the adequate supervision of the physician assistant.

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- (d) No medical services may be performed under this chapter in any of the following areas:
- (1) The determination of the refractive states of the human eye, or the fitting or adaptation of lenses or frames for the aid thereof.
- (2) The prescribing or directing the use of, or using, any optical device in connection with ocular exercises, visual training, or orthoptics.
- (3) The prescribing of contact lenses for, or the fitting or adaptation of contact lenses to, the human eye.
- (4) The practice of dentistry or dental hygiene or the work of a dental auxiliary as defined in Chapter 4 (commencing with Section 1600).
- (e) This section shall not be construed in a manner that shall preclude the performance of routine visual screening as defined in Section 3501.
- SEC. 23. Section 3502.1 of the Business and Professions Code is amended to read:
- 3502.1. (a) In addition to the services authorized in the regulations adopted by the board Medical Board of California, and except as prohibited by Section 3502, while under the supervision of a licensed physician and surgeon or physicians and surgeons authorized by law to supervise a physician assistant, a physician assistant may administer or provide medication to a patient, or transmit orally, or in writing on a patient's record or in a drug order, an order to a person who may lawfully furnish the medication or medical device pursuant to subdivisions (c) and (d).
- (1) A supervising physician and surgeon who delegates authority to issue a drug order to a physician assistant may limit this authority by specifying the manner in which the physician assistant may issue delegated prescriptions.
- (2) Each supervising physician and surgeon who delegates the authority to issue a drug order to a physician assistant shall first prepare and adopt, or adopt, a written, practice specific, formulary and protocols that specify all criteria for the use of a particular drug or device, and any contraindications for the selection.
- Protocols for Schedule II controlled substances shall address the 40

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diagnosis of illness, injury, or condition for which the Schedule II controlled substance is being administered, provided, or issued. The drugs listed in the protocols shall constitute the formulary and shall include only drugs that are appropriate for use in the type of practice engaged in by the supervising physician and surgeon. When issuing a drug order, the physician assistant is acting on behalf of and as an agent for a supervising physician and surgeon.

- (b) "Drug order" for purposes of this section means an order for medication that is dispensed to or for a patient, issued and signed by a physician assistant acting as an individual practitioner within the meaning of Section 1306.02 of Title 21 of the Code of Federal Regulations. Notwithstanding any other provision of law, (1) a drug order issued pursuant to this section shall be treated in the same manner as a prescription or order of the supervising physician, (2) all references to "prescription" in this code and the Health and Safety Code shall include drug orders issued by physician assistants pursuant to authority granted by their supervising physicians and surgeons, and (3) the signature of a physician assistant on a drug order shall be deemed to be the signature of a prescriber for purposes of this code and the Health and Safety Code.
- (c) A drug order for any patient cared for by the physician assistant that is issued by the physician assistant shall either be based on the protocols described in subdivision (a) or shall be approved by the supervising physician and surgeon before it is filled or carried out.
- (1) A physician assistant shall not administer or provide a drug or issue a drug order for a drug other than for a drug listed in the formulary without advance approval from a supervising physician and surgeon for the particular patient. At the direction and under the supervision of a physician and surgeon, a physician assistant may hand to a patient of the supervising physician and surgeon a properly labeled prescription drug prepackaged by a physician and surgeon, manufacturer as defined in the Pharmacy Law, or a pharmacist.
- (2) A physician assistant may not administer, provide, or issue a drug order to a patient for Schedule II through Schedule V controlled substances without advance approval by a supervising physician and surgeon for that particular patient unless the physician assistant has completed an education course that covers

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1 controlled substances and that meets standards, including 2 pharmacological content, approved by the committee. The 3 education course shall be provided either by an accredited 4 continuing education provider or by an approved physician assistant 5 training program. If the physician assistant will administer, provide, 6 or issue a drug order for Schedule II controlled substances, the 7 course shall contain a minimum of three hours exclusively on 8 Schedule II controlled substances. Completion of the requirements 9 set forth in this paragraph shall be verified and documented in the 10 manner established by the committee prior to the physician 11 assistant's use of a registration number issued by the United States 12 Drug Enforcement Administration to the physician assistant to 13 administer, provide, or issue a drug order to a patient for a 14 controlled substance without advance approval by a supervising 15 physician and surgeon for that particular patient. 16

(3) Any drug order issued by a physician assistant shall be subject to a reasonable quantitative limitation consistent with customary medical practice in the supervising physician and surgeon's practice.

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(d) A written drug order issued pursuant to subdivision (a), except a written drug order in a patient's medical record in a health facility or medical practice, shall contain the printed name, address, and phone number of the supervising physician and surgeon, the printed or stamped name and license number of the physician assistant, and the signature of the physician assistant. Further, a written drug order for a controlled substance, except a written drug order in a patient's medical record in a health facility or a medical practice, shall include the federal controlled substances registration number of the physician assistant and shall otherwise comply with the provisions of Section 11162.1 of the Health and Safety Code. Except as otherwise required for written drug orders for controlled substances under Section 11162.1 of the Health and Safety Code, the requirements of this subdivision may be met through stamping or otherwise imprinting on the supervising physician and surgeon's prescription blank to show the name, license number, and if applicable, the federal controlled substances number of the physician assistant, and shall be signed by the physician assistant. When using a drug order, the physician assistant is acting on behalf of and as the agent of a supervising physician and surgeon.

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(e) The medical record of any patient cared for by a physician assistant for whom the physician assistant's Schedule II drug order has been issued or carried out shall be reviewed and countersigned and dated by a supervising physician and surgeon within seven days.

- (f) All physician assistants who are authorized by their supervising physicians to issue drug orders for controlled substances shall register with the United States Drug Enforcement Administration (DEA).
- (g) The committee board shall consult with the Medical Board of California and report during its sunset review required by Division 1.2 (commencing with Section 473) the impacts of exempting Schedule III and Schedule IV drug orders from the requirement for a physician and surgeon to review and countersign the affected medical record of a patient.
- SEC. 24. Section 3502.3 of the Business and Professions Code is amended to read:
- 3502.3. (a) Notwithstanding any other provision of law, in addition to any other practices that meet the general criteria set forth in this chapter or the board's Medical Board of California's regulations for inclusion in a delegation of services agreement, a delegation of services agreement may authorize a physician assistant to do any of the following:
- (1) Order durable medical equipment, subject to any limitations set forth in Section 3502 or the delegation of services agreement. Notwithstanding that authority, nothing in this paragraph shall operate to limit the ability of a third-party payer to require prior approval.
- (2) For individuals receiving home health services or personal care services, after consultation with the supervising physician, approve, sign, modify, or add to a plan of treatment or plan of care.
- (b) Nothing in this section shall be construed to affect the validity of any delegation of services agreement in effect prior to the enactment of this section or those adopted subsequent to enactment.
- SEC. 25. Section 3502.5 of the Business and Professions Code is amended to read:
- 3502.5. Notwithstanding any other provision of law, a physician assistant may perform those medical services permitted pursuant to Section 3502 during any state of war emergency, state of

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1 emergency, or state of local emergency, as defined in Section 8558 2 of the Government Code, and at the request of a responsible federal, 3 state, or local official or agency, or pursuant to the terms of a 4 mutual aid operation plan established and approved pursuant to 5 the California Emergency Services Act (Chapter 7 (commencing 6 with Section 8550) of Division 1 of Title 2 of the Government 7 Code), regardless of whether the physician assistant's approved 8 supervising physician is available to supervise the physician 9 assistant, so long as a licensed physician is available to render the 10 appropriate supervision. "Appropriate supervision" shall not require 11 the personal or electronic availability of a supervising physician 12 if that availability is not possible or practical due to the emergency. 13 The local health officers and their designees may act as supervising 14 physicians during emergencies without being subject to approval 15 by the board Medical Board of California. At all times, the local health officers or their designees supervising the physician 16 17 assistants shall be licensed physicians and surgeons. Supervising 18 physicians acting pursuant to this section shall not be subject to 19 the limitation on the number of physician assistants supervised 20 under Section 3516. 21

No responsible official or mutual aid operation plan shall invoke this section except in the case of an emergency that endangers the health of individuals. Under no circumstances shall this section be invoked as the result of a labor dispute or other dispute concerning collective bargaining.

SEC. 2.

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SEC. 26. Section 3504 of the Business and Professions Code is amended to read:

3504. There is established a Physician Assistant-Committee board within the jurisdiction of the Medical Board of California. The committee board consists of nine members. This section shall remain in effect only until January 1, 2017, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2017, deletes or extends that date. Notwithstanding any other provision of law, the repeal of this section renders the committee board subject to review by the appropriate policy committees of the Legislature.

SEC. 27. Section 3504.1 of the Business and Professions Code 39 is amended to read:

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3504.1. Protection of the public shall be the highest priority for the Physician Assistant—Committee of the Medical Board—of California in exercising its licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

SEC. 28. Section 3505 of the Business and Professions Code is amended to read:

3505. The members of the committee board shall include one member of the Medical Board of California, a physician representative of a California medical school, an educator participating in an approved program for the training of physician assistants, a physician who is an approved supervising physician of a physician assistant and who is not a member of any division of the Medical Board of California, three physician assistants, and two public members. Upon the first expiration of the term of the member who is a member of the Medical Board of California, that position shall be filled by a member of the Medical Board of California who is a physician member. Upon the first expiration of the term of the member who is a physician representative of a California medical school, that position shall be filled by a public member. Upon the first expiration of the term of the member who is an educator participating in an approved program for the training of physician assistants, that position shall be filled by a physician assistant. Upon the first expiration of the term of the member who is an approved supervising physician of a physician assistant and not a member of any division of the Medical Board of California, that position shall be filled by a public member. Following the expiration of the terms of the members described above, the committee shall include four physician assistants, one physician and surgeon who is also a member of the Medical Board of California, and four public members. Upon the expiration of the term of the member who is a member of the Medical Board of California, that position shall be filled by a physician assistant. Following the expiration of the term of the member described above, the board shall include five physician assistants and four public members.

Each member of the committee board shall hold office for a term of four years expiring on January 1st, and shall serve until the appointment and qualification of a successor or until one year

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shall have elapsed since the expiration of the term for which the member was appointed, whichever first occurs. No member shall serve for more than two consecutive terms. Vacancies shall be filled by appointment for the unexpired terms.

The Governor shall appoint the licensed members qualified as provided in this section and two public members. The Senate Rules Committee and the Speaker of the Assembly shall each appoint a public member.

- SEC. 29. Section 3506 of the Business and Professions Code is amended to read:
- 3506. Each member of the committee *board* shall receive a per diem and expenses as provided in Section 103.
- SEC. 30. Section 3507 of the Business and Professions Code is amended to read:
- 3507. The appointing power has power to remove from office any member of the committee board, as provided in Section 106.
- SEC. 31. Section 3508 of the Business and Professions Code is amended to read:
- 3508. (a) The committee board may convene from time to time as deemed necessary by the committee board.
- (b) Notice of each meeting of the committee board shall be given at least two weeks in advance to those persons and organizations who express an interest in receiving notification.
- (c) The committee board shall receive permission of the director to meet more than six times annually. The director shall approve meetings that are necessary for the committee board to fulfill its legal responsibilities.
- SEC. 32. Section 3509 of the Business and Professions Code is amended to read:
  - 3509. It shall be the duty of the committee board to:
- (a) Establish standards and issue licenses of approval for programs for the education and training of physician assistants.
- (b) Make recommendations to the board Medical Board of California concerning the scope of practice for physician assistants.
- (c) Make recommendations to the board Medical Board of California concerning the formulation of guidelines for the consideration of applications by licensed physicians to supervise physician assistants and approval of such applications.
- (d) Require the examination of applicants for licensure as a physician assistant who meet the requirements of this chapter.

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1 SEC. 33. Section 3509.5 of the Business and Professions Code 2 is amended to read:

- 3509.5. The committee board shall elect annually a chairperson and a vice chairperson from among its members.
- SEC. 34. Section 3510 of the Business and Professions Code is amended to read:
- 3510. The committee board may adopt, amend, and repeal regulations as may be necessary to enable it to carry into effect the provisions of this chapter; provided, however, that the board Medical Board of California shall adopt, amend, and repeal such regulations as may be necessary to enable it to implement the provisions of this chapter under its jurisdiction. All regulations shall be in accordance with, and not inconsistent with, the provisions of this chapter. Such regulations shall be adopted, amended, or repealed in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.
- 18 SEC. 35. Section 3511 of the Business and Professions Code 19 is amended to read:
  - 3511. Five members shall constitute a quorum for transacting any business. The affirmative vote of a majority of those present at a meeting of the committee *board* shall be required to carry any motion.

SEC. 3.

- *SEC. 36.* Section 3512 of the Business and Professions Code is amended to read:
- 3512. (a) Except as provided in Sections 159.5 and 2020, the committee board shall employ within the limits of the Physician Assistant Fund all personnel necessary to carry out the provisions of this chapter including an executive officer who shall be exempt from civil service. The board Medical Board of California and committee board shall make all necessary expenditures to carry out the provisions of this chapter from the funds established by Section 3520. The committee board may accept contributions to effect the purposes of this chapter.
- (b) This section shall remain in effect only until January 1, 2017, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2017, deletes or extends that date.
- 39 SEC. 37. Section 3513 of the Business and Professions Code 40 is amended to read:

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3513. The-committee board shall recognize the approval of training programs for physician assistants approved by a national accrediting organization. Physician assistant training programs accredited by a national accrediting agency approved by the committee board shall be deemed approved by the committee board under this section. If no national accrediting organization is approved by the committee board, the committee board may examine and pass upon the qualification of, and may issue certificates of approval for, programs for the education and training of physician assistants that meet-committee board standards.

- SEC. 38. Section 3514.1 of the Business and Professions Code is amended to read:
- 3514.1. (a) The committee board shall formulate by regulation guidelines for the consideration of applications for licensure as a physician's assistant.
- (b) The <u>committee</u> board shall formulate by regulation guidelines for the approval of physician's assistant training programs.
  - (c) This section shall become operative on July 1, 2001.
- SEC. 39. Section 3516 of the Business and Professions Code is amended to read:
- 3516. (a) Notwithstanding any other provision of law, a physician assistant licensed by the committee board shall be eligible for employment or supervision by any physician and surgeon who is not subject to a disciplinary condition imposed by the board Medical Board of California prohibiting that employment or supervision.
- (b) No physician and surgeon shall supervise more than four physician assistants at any one time, except as provided in Section 3502.5.
- (c) The board Medical Board of California may restrict a physician and surgeon to supervising specific types of physician assistants including, but not limited to, restricting a physician and surgeon from supervising physician assistants outside of the field of specialty of the physician and surgeon.
- SEC. 40. Section 3516.5 of the Business and Professions Code is amended to read:
- 38 3516.5. (a) Notwithstanding any other provision of law and in accordance with regulations established by the board Medical Board of California, the director of emergency care services in a

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hospital with an approved program for the training of emergency care physician assistants, may apply to the board Medical Board 3 of California for authorization under which the director may grant 4 approval for emergency care physicians on the staff of the hospital to supervise emergency care physician assistants.

- (b) The application shall encompass all supervising physicians employed in that service.
- (c) Nothing in this section shall be construed to authorize any one emergency care physician while on duty to supervise more than four physician assistants at any one time.
- (d) A violation of this section by the director of emergency care services in a hospital with an approved program for the training of emergency care physician assistants constitutes unprofessional conduct within the meaning of Chapter 5 (commencing with Section 2000).
- (e) A violation of this section shall be grounds for suspension of the approval of the director or disciplinary action against the director or suspension of the approved program under Section 3527.
- SEC. 41. Section 3517 of the Business and Professions Code is amended to read:
- 3517. The committee board shall require a written examination of physician assistants in the manner and under the rules and regulations as it shall prescribe, but the examination shall be conducted in that manner as to ensure that the identity of each applicant taking the examination will be unknown to all of the examiners until all examination papers have been graded. Except as otherwise provided in this chapter, or by regulation, no physician assistant applicant shall receive approval under this chapter without first successfully passing an examination given under the direction of the committee board.

Examinations for licensure as a physician assistant may be required by the committee board under a uniform examination system, and for that purpose the committee board may make those arrangements with organizations furnishing examination material as may, in its discretion, be desirable. The committee board shall, however, establish a passing score for each examination. The licensure examination for physician assistants shall be held by the eommittee board at least once a year with such additional

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examinations as the committee board deems necessary. The time and place of examination shall be fixed by the committee board.

SEC. 42. Section 3518 of the Business and Professions Code is amended to read:

3518. The committee board shall keep current, two separate registers, one for approved supervising physicians and one for licensed physician's assistants, by specialty if applicable. These registers shall show the name of each licensee, his or her last known address of record, and the date of his or her licensure or approval. Any interested person is entitled to obtain a copy of the register in accordance with the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code) upon application to the committee board together with a sum as may be fixed by the committee board, which amount shall not exceed the cost of this list so furnished.

SEC. 43. Section 3519 of the Business and Professions Code is amended to read:

- 3519. The committee board shall issue under the name of the Medical Board of California a license to all physician assistant applicants who meet all of the following requirements:
- (a) Provide evidence of successful completion of an approved program.
  - (b) Pass any examination required under Section 3517.
- (c) Not be subject to denial of licensure under Division 1.5 (commencing with Section 475) or Section 3527.
  - (d) Pay all fees required under Section 3521.1.
- SEC. 44. Section 3519.5 of the Business and Professions Code is amended to read:
- 3519.5. (a) The-committee board may issue under the name of the board Medical Board of California a probationary license to an applicant subject to terms and conditions, including, but not limited to, any of the following conditions of probation:
- (1) Practice limited to a supervised, structured environment where the applicant's activities shall be supervised by another physician assistant.
- 37 (2) Total or partial restrictions on issuing a drug order for 38 controlled substances.
  - (3) Continuing medical or psychiatric treatment.
  - (4) Ongoing participation in a specified rehabilitation program.

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1 (5) Enrollment and successful completion of a clinical training program.

- (6) Abstention from the use of alcohol or drugs.
- 4 (7) Restrictions against engaging in certain types of medical services.
  - (8) Compliance with all provisions of this chapter.
  - (b) The committee board and the board Medical Board of California may modify or terminate the terms and conditions imposed on the probationary license upon receipt of a petition from the licensee.
  - (c) Enforcement and monitoring of the probationary conditions shall be under the jurisdiction of the-committee *board* and the board *Medical Board of California*. These proceedings shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.
  - SEC. 45. Section 3520 of the Business and Professions Code is amended to read:
  - 3520. Within 10 days after the beginning of each calendar month the board Medical Board of California shall report to the Controller the amount and source of all collections made under this chapter and at the same time pay all those sums into the State Treasury, where they shall be credited to the Physician Assistant Fund, which fund is hereby created. All money in the fund shall be used to carry out the purpose of this chapter.
  - SEC. 46. Section 3521 of the Business and Professions Code is amended to read:
  - 3521. The fees to be paid for approval to supervise physician assistants are to be set by the committee board as follows:
  - (a) An application fee not to exceed fifty dollars (\$50) shall be charged to each physician and surgeon applicant.
  - (b) An approval fee not to exceed two hundred fifty dollars (\$250) shall be charged to each physician and surgeon upon approval of an application to supervise physician assistants.
  - (c) A biennial renewal fee not to exceed three hundred dollars (\$300) shall be paid for the renewal of an approval.
    - (d) The delinquency fee is twenty-five dollars (\$25).
- 37 (e) The duplicate approval fee is ten dollars (\$10).
- 38 (f) The fee for a letter of endorsement, letter of good standing, or letter of verification of approval shall be ten dollars (\$10).

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1 SEC. 47. Section 3521.1 of the Business and Professions Code 2 is amended to read:

- 3521.1. The fees to be paid by physician assistants are to be set by the committee board as follows:
- (a) An application fee not to exceed twenty-five dollars (\$25) shall be charged to each physician assistant applicant.
- (b) An initial license fee not to exceed two hundred fifty dollars (\$250) shall be charged to each physician assistant to whom a license is issued.
- (c) A biennial license renewal fee not to exceed three hundred dollars (\$300).
  - (d) The delinquency fee is twenty-five dollars (\$25).
  - (e) The duplicate license fee is ten dollars (\$10).
- (f) The fee for a letter of endorsement, letter of good standing, or letter of verification of licensure shall be ten dollars (\$10).
- SEC. 48. Section 3521.2 of the Business and Professions Code is amended to read:
- 3521.2. The fees to be paid by physician assistant training programs are to be set by the committee board as follows:
- (a) An application fee not to exceed five hundred dollars (\$500) shall be charged to each applicant seeking program approval by the committee board.
- (b) An approval fee not to exceed one hundred dollars (\$100) shall be charged to each program upon its approval by the committee board.
- SEC. 49. Section 3521.3 is added to the Business and Professions Code, to read:
- 3521.3. Every licensed physician assistant is exempt from the payment of the renewal fee and requirement for continuing medical education if the licensee has applied to the board for a retired license. The holder of a retired license may not engage in the practice of a physician assistant.
- 33 SEC. 50. Section 3521.4 is added to the Business and 34 Professions Code, to read:
- 35 3521.4. (a) Every licensed physician assistant is exempt from 36 the payment of the renewal fee specified in Section 3521.1 while
- 37 engaged in full-time training or active service in the Army, Navy,
- 38 Air Force, or Marines, or in the United States Public Health
- 39 Service.

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(b) Every person exempted from the payment of the renewal fee by this section shall not engage in any private practice and shall become liable for payment of such fee for the current renewal period upon his or her discharge from full-time active service and shall have a period of 60 days after becoming liable within which to pay the renewal fee before the delinquency fee is required. Any person who is discharged from active service within 60 days of the end of a renewal period is exempt from the payment of the renewal fee for that period.

- (c) The time spent in full-time active service or training shall not be included in the computation of the five-year period for renewal and reinstatement of licensure provided in Sections 3524.
- (d) Nothing in this section shall exempt a person, exempt from renewal fees under this section, from meeting the continuing education requirements as provided in Section 3524.5.
- SEC. 51. Section 3521.5 of the Business and Professions Code is amended to read:
- 3521.5. The committee board shall report to the appropriate policy and fiscal committees of each house of the Legislature whenever the board Medical Board of California approves a fee increase pursuant to Sections 3521 and 3521.1. The committee board shall specify the reasons for each increase in the report. Reports prepared pursuant to this section shall identify the percentage of funds derived from an increase in fees pursuant to Senate Bill 1077 of the 1991–92 Regular Session (Chapter 917, Statutes of 1991) that will be used for investigational and enforcement activities by the board Medical Board of California and committee board.
- SEC. 52. Section 3522 of the Business and Professions Code is amended to read:
- 3522. An approval to supervise physician assistants shall expire at 12 midnight on the last day of the birth month of the physician and surgeon during the second year of a two-year term if not renewed.

The board Medical Board of California shall establish a cyclical renewal program, including, but not limited to, the establishment of a system of staggered expiration dates for approvals and a pro rata formula for the payment of renewal fees by physician and surgeon supervisors.

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To renew an unexpired approval, the approved supervising physician and surgeon, on or before the date of expiration, shall apply for renewal on a form prescribed by the board Medical Board of California and pay the prescribed renewal fee.

SEC. 53. Section 3523 of the Business and Professions Code is amended to read:

3523. All physician assistant licenses shall expire at 12 midnight of the last day of the birth month of the licensee during the second year of a two-year term if not renewed.

The committee board shall establish by regulation procedures for the administration of a birthdate renewal program, including, but not limited to, the establishment of a system of staggered license expiration dates and a pro rata formula for the payment of renewal fees by physician assistants affected by the implementation of the program.

To renew an unexpired license, the licensee shall, on or before the date of expiration of the license, apply for renewal on a form provided by the <u>committee</u> *board*, accompanied by the prescribed renewal fee.

SEC. 54. Section 3524 of the Business and Professions Code is amended to read:

3524. A license or approval that has expired may be renewed at any time within five years after its expiration by filing an application for renewal on a form prescribed by the committee board or board Medical Board of California, as the case may be, and payment of all accrued and unpaid renewal fees. If the license or approval is not renewed within 30 days after its expiration, the licensed physician assistant and approved supervising physician, as a condition precedent to renewal, shall also pay the prescribed delinquency fee, if any. Renewal under this section shall be effective on the date on which the application is filed, on the date on which all renewal fees are paid, or on the date on which the delinquency fee, if any, is paid, whichever occurs last. If so renewed, the license shall continue in effect through the expiration date provided in Section 3522 or 3523 which next occurs after the effective date of the renewal, when it shall expire, if it is not again renewed.

SEC. 55. Section 3524.5 of the Business and Professions Code is amended to read:

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The committee board may require a licensee to complete continuing education as a condition of license renewal under Section 3523 or 3524. The committee board shall not require more than 50 hours of continuing education every two years. The committee board shall, as it deems appropriate, accept certification by the National Commission on Certification of Physician Assistants (NCCPA), or another qualified certifying body, as determined by the committee board, as evidence of compliance with continuing education requirements.

- SEC. 56. Section 3526 of the Business and Professions Code is amended to read:
- 3526. A person who fails to renew his or her license or approval within five years after its expiration may not renew it, and it may not be reissued, reinstated, or restored thereafter, but that person may apply for and obtain a new license or approval if he or she:
- (a) Has not committed any acts or crimes constituting grounds for denial of licensure under Division 1.5 (commencing with Section 475).
- (b) Takes and passes the examination, if any, which would be required of him or her if application for licensure was being made for the first time, or otherwise establishes to the satisfaction of the eommittee *board* that, with due regard for the public interest, he or she is qualified to practice as a physician assistant.
- (c) Pays all of the fees that would be required as if application for licensure was being made for the first time.
- SEC. 57. Section 3527 of the Business and Professions Code is amended to read:
- 3527. (a) The committee board may order the denial of an application for, or the issuance subject to terms and conditions of, or the suspension or revocation of, or the imposition of probationary conditions upon a physician assistant license after a hearing as required in Section 3528 for unprofessional conduct that includes, but is not limited to, a violation of this chapter, a violation of the Medical Practice Act, or a violation of the regulations adopted by the committee board or the board Medical Board of California.
- (b) The committee board may order the denial of an application for, or the suspension or revocation of, or the imposition of probationary conditions upon, an approved program after a hearing

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as required in Section 3528 for a violation of this chapter or the regulations adopted pursuant thereto.

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- (c) The board Medical Board of California may order the denial of an application for, or the issuance subject to terms and conditions of, or the suspension or revocation of, or the imposition of probationary conditions upon, an approval to supervise a physician assistant, after a hearing as required in Section 3528, for unprofessional conduct, which includes, but is not limited to, a violation of this chapter, a violation of the Medical Practice Act, or a violation of the regulations adopted by the committee board or the board Medical Board of California.
- (d) Notwithstanding subdivision (c), the Division of Medical Quality of the Medical Board of California, in conjunction with an action it has commenced against a physician and surgeon, may, in its own discretion and without the concurrence of the board Medical Board of California, order the suspension or revocation of, or the imposition of probationary conditions upon, an approval to supervise a physician assistant, after a hearing as required in Section 3528, for unprofessional conduct, which includes, but is not limited to, a violation of this chapter, a violation of the Medical Practice Act, or a violation of the regulations adopted by the committee or the board or the Medical Board of California.
- (e) The committee board may order the denial of an application for, or the suspension or revocation of, or the imposition of probationary conditions upon, a physician assistant license, after a hearing as required in Section 3528 for unprofessional conduct that includes, except for good cause, the knowing failure of a licensee to protect patients by failing to follow infection control guidelines of the committee board, thereby risking transmission of blood-borne infectious diseases from licensee to patient, from patient to patient, and from patient to licensee. In administering this subdivision, the committee board shall consider referencing the standards, regulations, and guidelines of the State Department of Public Health developed pursuant to Section 1250.11 of the Health and Safety Code and the standards, regulations, and guidelines pursuant to the California Occupational Safety and Health Act of 1973 (Part 1 (commencing with Section 6300) of Division 5 of the Labor Code) for preventing the transmission of HIV, hepatitis B, and other blood-borne pathogens in health care settings. As necessary, the committee board shall consult with the

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California Medical Board, the Board of Podiatric Medicine, the Board of Dental Examiners, the Board of Registered Nursing, and the Board of Vocational Nursing and Psychiatric Technicians, to encourage appropriate consistency in the implementation of this subdivision.

The-committee board shall seek to ensure that licensees are informed of the responsibility of licensees and others to follow infection control guidelines, and of the most recent scientifically recognized safeguards for minimizing the risk of transmission of blood-borne infectious diseases.

- (f) The committee board may order the licensee to pay the costs of monitoring the probationary conditions imposed on the license. SEC. 58. Section 3529 of the Business and Professions Code
- is amended to read:
- 3529. The committee board may hear any matters filed pursuant to subdivisions (a) and (b) of Section 3527, or may assign any such the matter to a hearing officer. The board Medical Board of California may hear any matters filed pursuant to subdivision (c) of Section 3527, or may assign any such the matter to a hearing officer. If a matter is heard by the committee board or the board Medical Board of California, the hearing officer who presided at the hearing shall be present during the committee's or board's or the Medical Board of California's consideration of the case, and, if requested assist and advise the committee or the board or the Medical Board of California.
- SEC. 59. Section 3530 of the Business and Professions Code is amended to read:
- 3530. (a) A person whose license or approval has been revoked or suspended, or who has been placed on probation, may petition the committee board for reinstatement or modification of penalty, including modification or termination of probation, after a period of not less than the following minimum periods has elapsed from the effective date of the decision ordering that disciplinary action:
- (1) At least three years for reinstatement of a license or approval revoked for unprofessional conduct, except that the committee may, for good cause shown, specify in a revocation order that a petition for reinstatement may be filed after two years.
- 38 (2) At least two years for early termination of probation of three years or more.

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(3) At least one year for modification of a condition, or reinstatement of a license or approval revoked for mental or physical illness, or termination of probation of less than three years.

- (b) The petition shall state any facts as may be required by the board Medical Board of California. The petition shall be accompanied by at least two verified recommendations from physicians licensed either by the Medical Board of California or the Osteopathic Medical Board who have personal knowledge of the activities of the petitioner since the disciplinary penalty was imposed.
- (c) The petition may be heard by the <u>committee</u> board. The <u>committee</u> board may assign the petition to an administrative law judge designated in Section 11371 of the Government Code. After a hearing on the petition, the administrative law judge shall provide a proposed decision to the <u>committee</u> board that shall be acted upon in accordance with the Administrative Procedure Act.
- (d) The committee board or the administrative law judge hearing the petition, may consider all activities of the petitioner since the disciplinary action was taken, the offense for which the petitioner was disciplined, the petitioner's activities during the time the license was in good standing, and the petitioner's rehabilitative efforts, general reputation for truth, and professional ability. The hearing may be continued, as the committee or administrative law judge finds necessary.
- (e) The committee board or administrative law judge, when hearing a petition for reinstating a license or approval or modifying a penalty, may recommend the imposition of any terms and conditions deemed necessary.
- (f) No petition shall be considered while the petitioner is under sentence for any criminal offense, including any period during which the petitioner is on court-imposed probation or parole. No petition shall be considered while there is an accusation or petition to revoke probation pending against the person. The committee board may deny, without a hearing or argument, any petition filed pursuant to this section within a period of two years from the effective date of the prior decision following a hearing under this section.
- (g) Nothing in this section shall be deemed to alter Sections 822 and 823.

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SEC. 60. Section 3531 of the Business and Professions Code is amended to read:

3531. A plea or verdict of guilty or a conviction following a plea of nolo contendere made to a charge of a felony or of any offense which is substantially related to the qualifications, functions, or duties of the business or profession to which the license was issued is deemed to be a conviction within the meaning of this chapter. The committee board may order the license suspended or revoked, or shall decline to issue a license when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code allowing such person to withdraw his plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information or indictment.

SEC. 61. Section 3533 of the Business and Professions Code is amended to read:

3533. Whenever any person has engaged in any act or practice which constitutes an offense against this chapter, the superior court of any county, on application of the board Medical Board of California, may issue an injunction or other appropriate order restraining such conduct. Proceedings under this section shall be governed by Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure. The board or the committee Medical Board of California or the board may commence action in the superior court under the provisions of this section.

SEC. 62. Section 3534 of the Business and Professions Code is amended to read:

3534. (a) It is the intent of the Legislature that the examining committee board shall seek ways and means to identify and rehabilitate physician assistants whose competency is impaired due to abuse of dangerous drugs or alcohol so that they may be treated and returned to the practice of medicine in a manner which will not endanger the public health and safety.

SEC. 63. Section 3534.1 of the Business and Professions Code is amended to read:

3534.1. The examining committee *board* shall establish and administer a diversion program for the rehabilitation of physician

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assistants whose competency is impaired due to the abuse of drugs or alcohol. The examining committee board may contract with any other state agency or a private organization to perform its duties under this article. The examining committee board may establish one or more diversion evaluation committees to assist it in carrying out its duties under this article. As used in this article, "committee" means a diversion evaluation committee. A committee created under this article operates under the direction of the diversion program manager, as designated by the executive officer of the examining committee board. The program manager has the primary responsibility to review and evaluate recommendations of the committee.

SEC. 64. Section 3534.2 of the Business and Professions Code is amended to read:

3534.2. (a) Any committee established by the examining eommittee board shall have at least three members. In making appointments to a committee the examining committee board shall consider the appointments of persons who are either recovering of substance abuse and have been free from abuse for at least three years immediately prior to their appointment or who are knowledgeable in the treatment and recovery of substance abuse. The examining committee board also shall consider the appointment of a physician and surgeon who is board certified in psychiatry.

- (b) Appointments to a committee shall be by the affirmative vote of a majority of members appointed to the examining committee board. Each appointment shall be at the pleasure of the examining committee board for a term not to exceed four years. In its discretion, the examining committee board may stagger the terms of the initial members so appointed.
- (c) A majority of the members of a committee shall constitute a quorum for the transaction of business. Any action requires an affirmative vote of a majority of those members present at a meeting constituting at least a quorum. Each committee shall elect from its membership a chairperson and a vice chairperson. Notwithstanding Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code, relating to public meetings, a committee may convene in closed session to consider matters relating to any physician assistant applying for or participating in a diversion program, and

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a meeting which will be convened entirely in closed session need not comply with Section 11125 of the Government Code. A committee shall only convene in closed session to the extent it is necessary to protect the privacy of an applicant or participant. Each member of a committee shall receive a per diem and shall be reimbursed for expenses as provided in Section 103.

- SEC. 65. Section 3534.3 of the Business and Professions Code is amended to read:
- 3534.3. Each committee has the following duties and responsibilities:
- (a) To evaluate physician assistants who request participation in the program and to make recommendations to the program manager. In making recommendations, a committee shall consider any recommendations from professional consultants on the admission of applicants to the diversion program.
- (b) To review and designate treatment facilities to which physician assistants in the diversion program may be referred, and to make recommendations to the program manager.
- (c) The receipt and review of information concerning physician assistants participating in the program.
- (d) To call meetings as necessary to consider the requests of physician assistants to participate in the diversion program, to consider reports regarding participants in the program, and to consider any other matters referred to it by the examining committee board.
- (e) To consider whether each participant in the diversion program may with safety continue or resume the practice of medicine.
- (f) To set forth in writing the terms and conditions of the diversion agreement that is approved by the program manager for each physician assistant participating in the program, including treatment, supervision, and monitoring requirements.
- (g) To hold a general meeting at least twice a year, which shall be open and public, to evaluate the diversion program's progress, to prepare reports to be submitted to the examining committee board, and to suggest proposals for changes in the diversion program.
- (h) For the purposes of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, any member of a committee shall be considered a public employee. No-examining

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eommittee board or committee member, contractor, or agent thereof, shall be liable for any civil damage because of acts or omissions which may occur while acting in good faith in a program established pursuant to this article.

SEC. 66. Section 3534.4 of the Business and Professions Code is amended to read:

3534.4. Criteria for acceptance into the diversion program shall include all of the following: (a) the applicant shall be licensed as a physician assistant by the examining committee board and shall be a resident of California; (b) the applicant shall be found to abuse dangerous drugs or alcoholic beverages in a manner which may affect his or her ability to practice medicine safely or competently; (c) the applicant shall have voluntarily requested admission to the program or shall be accepted into the program in accordance with terms and conditions resulting from a disciplinary action; (d) the applicant shall agree to undertake any medical or psychiatric examination ordered to evaluate the applicant for participation in the program; (e) the applicant shall cooperate with the program by providing medical information, disclosure authorizations, and releases of liability as may be necessary for participation in the program; and (f) the applicant shall agree in writing to cooperate with all elements of the treatment program designed for him or her.

An applicant may be denied participation in the program if the examining committee board, the program manager, or a committee determines that the applicant will not substantially benefit from participation in the program or that the applicant's participation in the program creates too great a risk to the public health, safety, or welfare.

SEC. 67. Section 3534.5 of the Business and Professions Code is amended to read:

3534.5. A participant may be terminated from the program for any of the following reasons: (a) the participant has successfully completed the treatment program; (b) the participant has failed to comply with the treatment program designated for him or her; (c) the participant fails to meet any of the criteria set forth in subdivision (d); or (d) it is determined that the participant has not substantially benefited from participation in the program or that his or her continued participation in the program creates too great a risk to the public health, safety, or welfare. Whenever an

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applicant is denied participation in the program or a participant is terminated from the program for any reason other than the 3 successful completion of the program, and it is determined that 4 the continued practice of medicine by that individual creates too 5 great a risk to the public health and safety, that fact shall be reported to the executive officer of the examining committee board 6 and all documents and information pertaining to and supporting that conclusion shall be provided to the executive officer. The matter may be referred for investigation and disciplinary action by the examining committee board. Each physician assistant who 10 requests participation in a diversion program shall agree to 11 12 cooperate with the recovery program designed for him or her. Any 13 failure to comply with that program may result in termination of 14 participation in the program. 15

The examination committee board shall inform each participant in the program of the procedures followed in the program, of the rights and responsibilities of a physician assistant in the program, and the possible results of noncompliance with the program.

SEC. 68. Section 3534.6 of the Business and Professions Code is amended to read:

3534.6. In addition to the criteria and causes set forth in Section 3534.4, the examining committee board may set forth in its regulations additional criteria for admission to the program or causes for termination from the program.

SEC. 69. Section 3534.7 of the Business and Professions Code is amended to read:

3534.7. All-examining committee board and committee records and records of proceedings and participation of a physician assistant in a program shall be confidential and are not subject to discovery or subpoena.

SEC. 70. Section 3534.9 of the Business and Professions Code is amended to read:

3534.9. If the examining committee board contracts with any other entity to carry out this section, the executive officer of the examining committee board or the program manager shall review the activities and performance of the contractor on a biennial basis. As part of this review, the examining committee board shall review files of participants in the program. However, the names of

participants who entered the program voluntarily shall remain

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confidential, except when the review reveals misdiagnosis, case mismanagement, or noncompliance by the participant.

SEC. 71. Section 3534.10 of the Business and Professions Code is amended to read:

3534.10. Participation in a diversion program shall not be a defense to any disciplinary action which may be taken by the examining committee board. This section does not preclude the examining committee board from commencing disciplinary action against a physician assistant who is terminated unsuccessfully from the program under this section. That disciplinary action may not include as evidence any confidential information.

SEC. 72. Section 3535 of the Business and Professions Code is amended to read:

3535. (a) Notwithstanding any other provision of law, physicians and surgeons licensed by the Osteopathic Medical Board of California may use or employ physician assistants provided (1) each physician assistant so used or employed is a graduate of an approved program and is licensed by the committee board, and (2) the scope of practice of the physician assistant is the same as that which is approved by the Division of Licensing of the Medical Board of California for physicians and surgeons supervising physician assistants in the same or similar specialty.

- (b) Any person who violates subdivision (a) shall be guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding six months, or by a fine not exceeding one thousand dollars (\$1,000), or by both that imprisonment and fine.
  - (c) This section shall become operative on July 1, 2001.

SEC. 73. Section 3537.10 of the Business and Professions Code is amended to read:

3537.10. (a) Subject to the other provisions of this article, the Office of Statewide Health Planning and Development, hereafter in this article referred to as the office, shall coordinate the establishment of an international medical graduate physician assistant training program, to be conducted at an appropriate educational institution or institutions. The goal of the program shall be to place as many international medical graduate physician assistants in medically underserved areas as possible in order to provide greater access to care for the growing population of medically indigent and underserved. The method for accomplishing this goal shall be to train foreign medical graduates to become

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licensed as physician assistants at no cost to the participants in
 return for a commitment from the participants to serve full-time
 in underserved areas for a four-year period.

- (b) By February 1, 1994, or one month after federal funds to implement this article become available, whichever occurs later, the office shall establish a training program advisory task force. The task force shall be comprised of representatives from all of the following groups:
- (1) Physician assistant program directors.
- 10 (2) Foreign medical graduates.
- 11 (3) The California Academy of Physician Assistants.
- 12 (4) Nonprofit community health center directors.
- 13 (5) Physicians.

- (6) The committee board, at the committee's board's option.
- The office may, instead, serve solely as a consultant to the task force.
  - (c) The task force shall do all of the following:
  - (1) Develop a recommended curriculum for the training program that shall be from 12 to 15 months in duration and shall, at a minimum, meet curriculum standards consistent with the committee's board's regulations. The program shall be subject to the committee's board's approval. By April 1, 1994, or three months after federal funds to implement this article become available, whichever occurs later, the curriculum shall be presented by the office to the Committee on Allied Health Education and Accreditation of the American Medical Association, or its successor organization, for approval.
  - (2) Develop recommended admission criteria for participation in the pilot and ongoing program.
  - (3) Assist in development of linkages with academic institutions for the purpose of monitoring and evaluating the pilot program.
  - SEC. 74. Section 3537.20 of the Business and Professions Code is amended to read:
  - 3537.20. Any person who has satisfactorily completed the program established by this article shall be eligible for licensure by the *committee board* as a "physician assistant" if the person has complied with all of the following requirements:
- 38 (a) Has successfully completed the written examination required under Section 3517.

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(b) Has successfully completed the Test of English as a Foreign Language (TOEFL).

- SEC. 75. Section 3537.30 of the Business and Professions Code is amended to read:
- 3537.30. (a) The Legislature recognizes that the goal of this program would be compromised if participants do not observe their commitments under this program to provide the required service in a medically underserved area. The goal of this program would not be met if all that it accomplished was merely to license physician assistants that served populations that are not medically underserved.
- (b) Since damages would be difficult or impossible to ascertain in the event of default by the participant, this section shall set forth the extent of liquidated damages that shall be recoverable by the program in the case of default.
- (c) In the case of default by a participant who has successfully completed the program and has obtained licensure under this article, the program shall collect the following damages from the participant:
- (1) The total cost expended by the program for the training of the applicant, and interest thereon from the date of default.
- (2) The total amount needed for the program to seek cover as set forth in subdivision (b) of Section 3537.35.
- (3) The costs of enforcement, including, but not limited to, the costs of collecting the liquidated damages, the costs of litigation, and attorney's fees.
- (d) The Attorney General may represent the office, or the eommittee *board*, or both in any litigation necessitated by this article, or, if the Attorney General declines, the office, or the eommittee *board*, or both may hire other counsel for this purpose.
- (e) Funds collected pursuant to subdivision (c) shall be allocated as follows:
- (1) Costs of training recovered pursuant to paragraph (1) of subdivision (c) shall be allocated to the office to be used upon appropriation for the continuing training program pursuant to this article.
- (2) Costs of seeking cover recovered pursuant to paragraph (2) of subdivision (c) shall be deposited in the Physician Assistant Training Fund established pursuant to Section 3537.40 for the

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1 purposes of providing grants pursuant to subdivision (c) of Section 2 3537.35.

(3) Costs of enforcement recovered pursuant to paragraph (3) of subdivision (c) shall be allocated between the office, and the Attorney General, or other counsel, according to actual costs.

SEC. 76. Section 3537.50 of the Business and Professions Code is amended to read:

3537.50. No General Fund revenues shall be expended to carry out this article. The implementation of the pilot program and, if applicable, the permanent program established by this article shall be contingent upon the availability of federal funds, which do not divert or detract from funds currently utilized to underwrite existing physician assistant training programs or to fund existing functions of the committee board. The new funding shall be sufficient to cover the full additional cost to the educational institution or institutions that establish the program or programs, the cost of tuition and attendance for the students in the program or programs, and any additional costs, including enforcement costs, that the office or the committee board incurs as a result of implementing this article. Nothing in this article shall be construed as imposing any obligations upon the office, the committee board, or any physician assistant training program in the absence of adequate funding as described in this section. Nothing in this article shall be construed either as precluding applicants for the program established by this article from seeking state or federal scholarship funds, or state and federal loan repayment funds available to physician assistant students, or as requiring that any applicants be granted preference in the award of those funds. Nothing in this article shall be construed as impairing the autonomy of any institution that offers a physician assistant training program.

SEC. 77. Section 3540 of the Business and Professions Code is amended to read:

3540. A physician assistants corporation is a corporation which is authorized to render professional services, as defined in Section 13401 of the Corporations Code, so long as that corporation and its shareholders, officers, directors, and employees rendering professional services who are certified physician assistants are in compliance with the Moscone-Knox Professional Corporation Act, the provisions of this article, and all other statutes and regulations

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now or hereafter enacted or adopted pertaining to the corporation and the conduct of its affairs.

With respect to a physician assistants corporation, the governmental agency referred to in the Moscone-Knox Professional Corporation Act (commencing with Section 13400) of Division 3 of Title 1 of the Corporations Code) is the committee board.

SEC. 78. Section 3546 of the Business and Professions Code is amended to read:

3546. The-board Medical Board of California may adopt and enforce regulations to carry out the purposes and objectives of this article, including regulations requiring (a) that the bylaws of a physician assistant corporation shall include a provision whereby the capital stock of the corporation owned by a disqualified person (as defined in Section 13401 of the Corporations Code), or a deceased person, shall be sold to the corporation or to the remaining shareholders of the corporation within the time as the regulations may provide, and (b) that a physician assistant corporation shall provide adequate security by insurance or otherwise for claims against it by its patients arising out of the rendering of professional services.

SEC. 79. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIIIB of the California Constitution.